



WISCONSIN CHEESE MAKERS ASSOCIATION

EST. 1891

Trends in Cheese Sales

June 12, 2025

Thank You!



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B U S I N E S S S E R V I C E S

Agenda

- Cheese in the Retail Channel
 - *Madlyn Daley, Dairy Management Inc.*
- U.S. Cheese Trends: Production, Industrial Use, and Exports
 - *Mike Brown, T.C. Jacoby & Co.*
- Cheese Trends in the Pizzeria Industry
 - *Denise Greer, Pizza Today*
- Q&A

**Madlyn Daley
Dairy Management, Inc.**



STRATEGIC INTELLIGENCE BY
DMi
DAIRY MANAGEMENT INC.™

Cheese in the Retail Channel

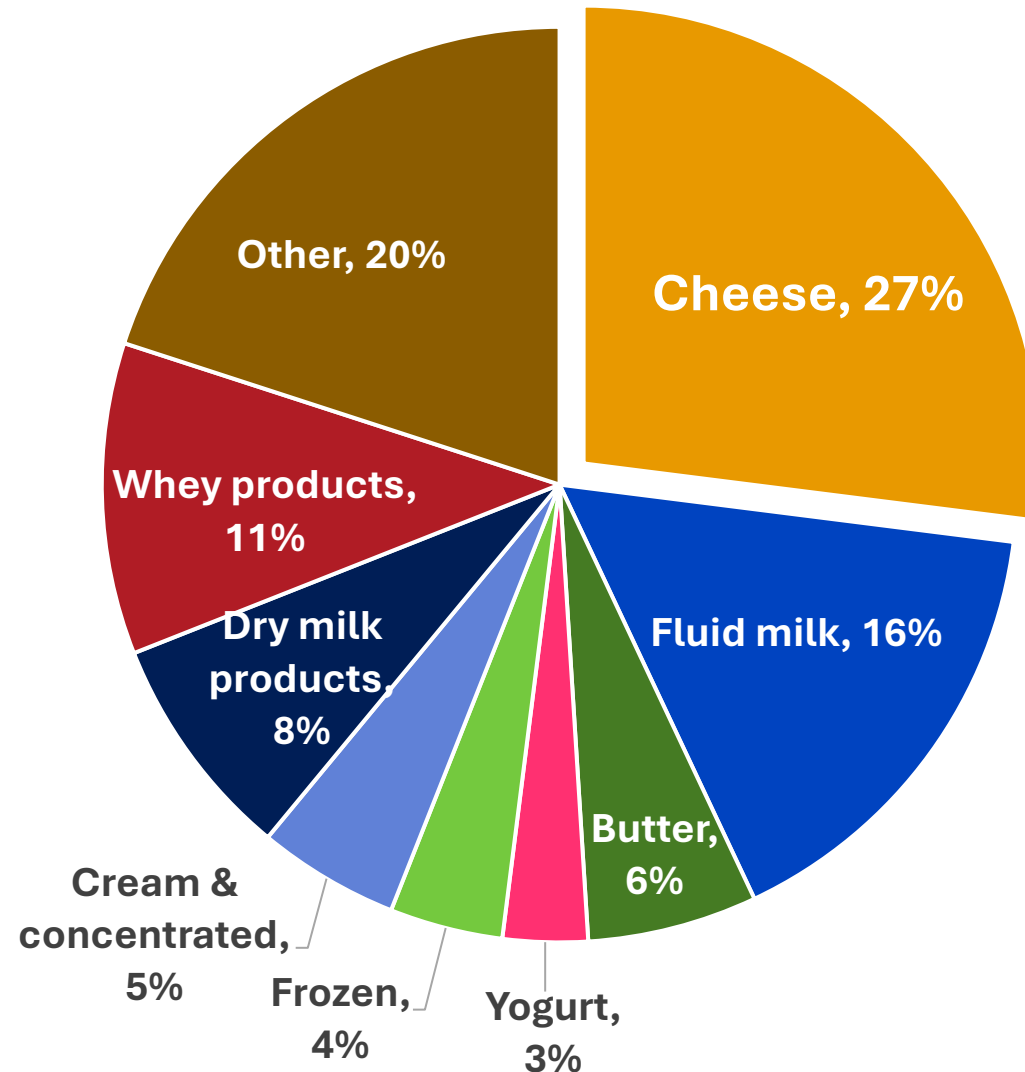
Strategic Intelligence by Dairy Management Inc.

June 12, 2025

Cheese is the largest dairy category

Cheese accounts for more than one-quarter of dairy consumption

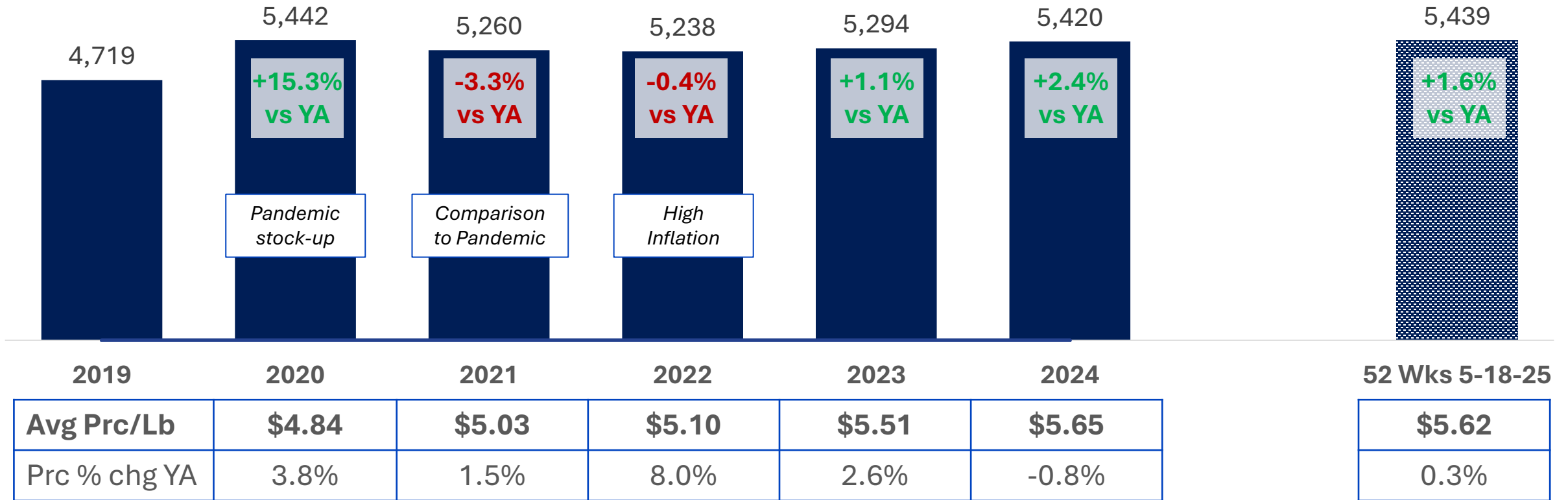
CONSUMPTION OF U.S. PRODUCED MILK



Retail Cheese is a 5.4B pound growing channel.

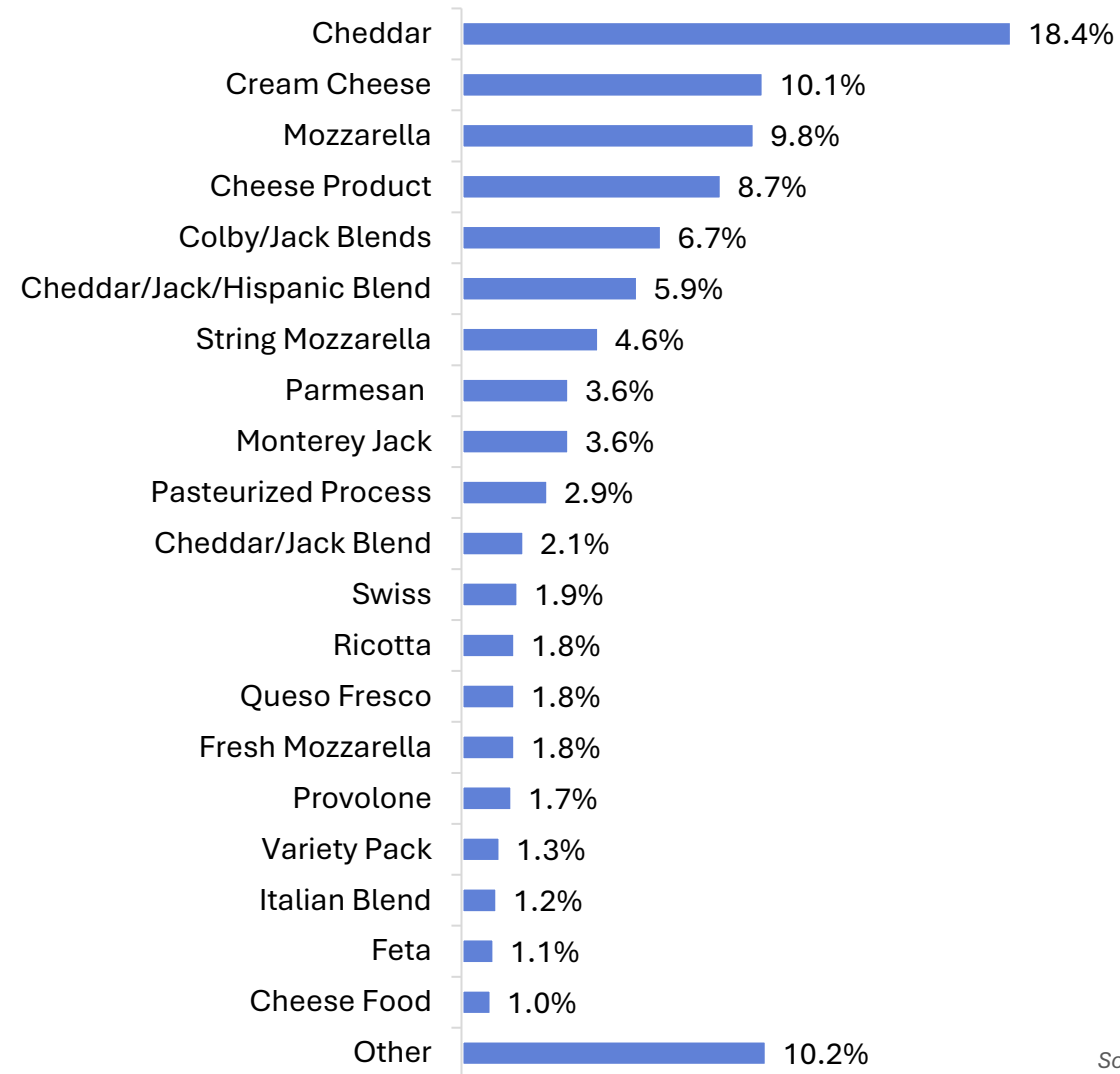
Latest 52 week volume is the same as 2020, year I pandemic year.

RETAIL CHEESE VOLUME, mil lbs



Cheddar, cream and mozzarella represent 38% of the retail cheese market

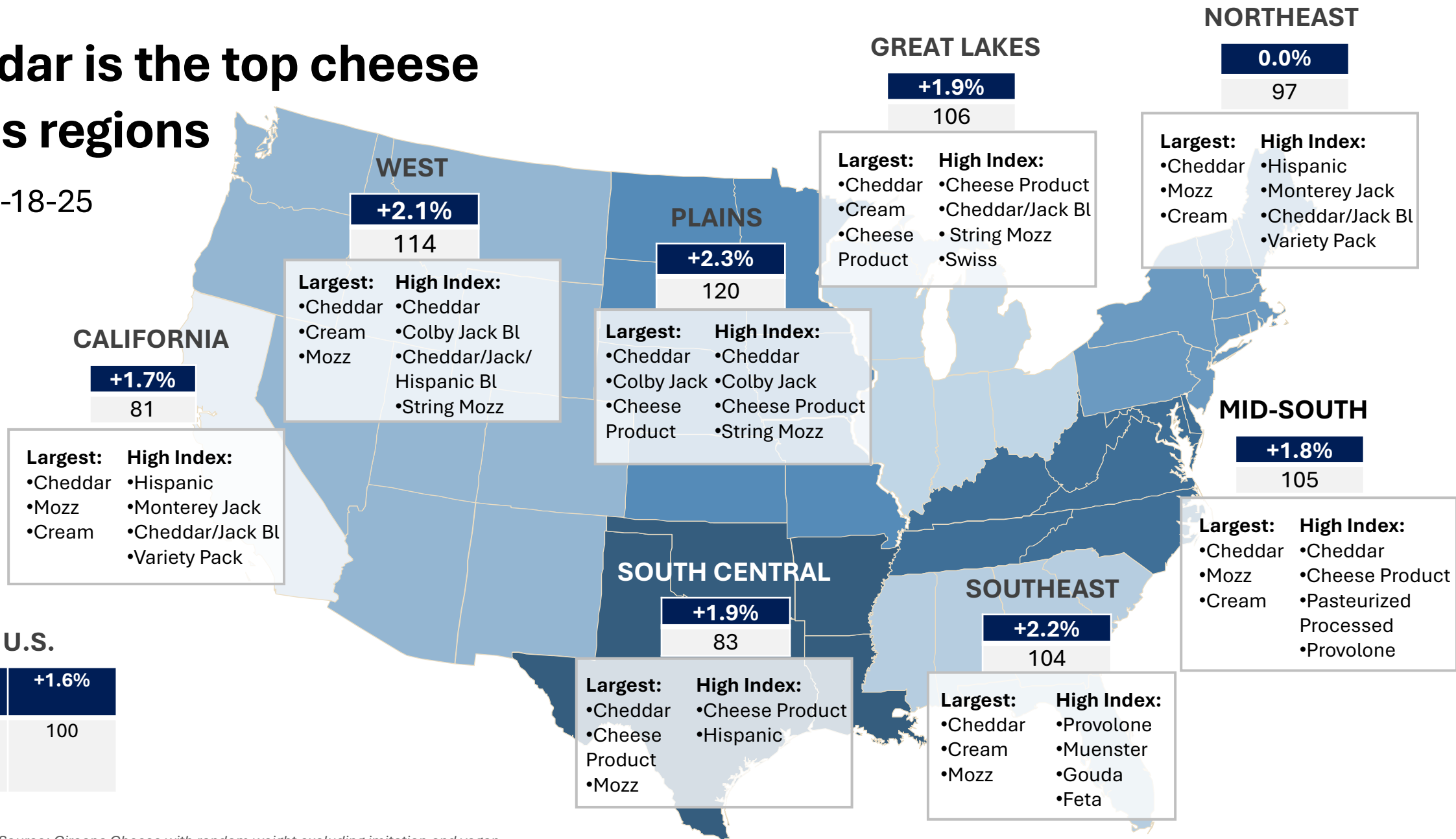
RETAIL CHEESE VOLUME SHARE 52 Wks 5-18-25



Source: Circana Cheese with random weight excluding imitation and vegan

Cheddar is the top cheese across regions

52 Wks 5-18-25

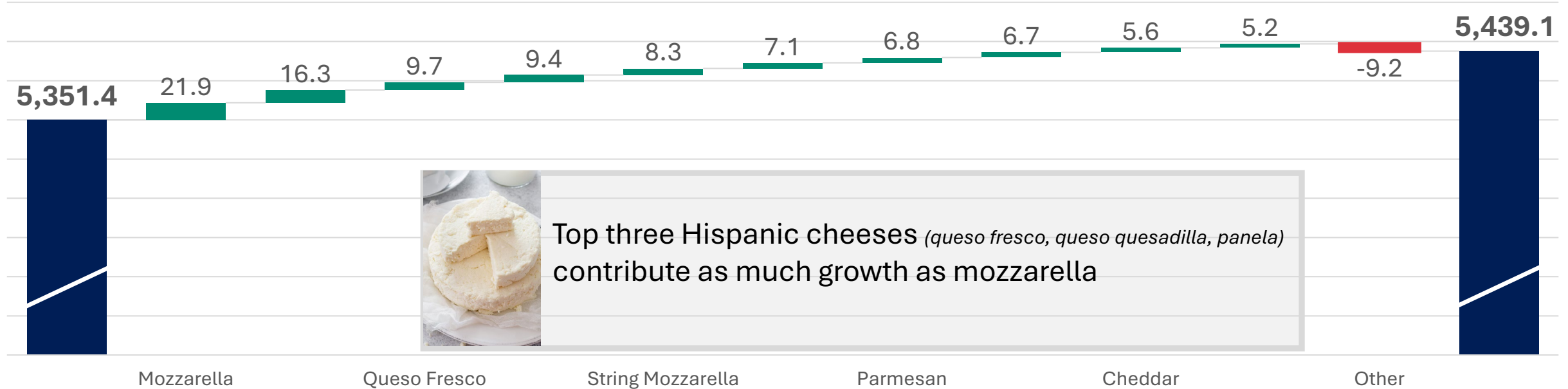


Source: Circana Cheese with random weight excluding imitation and vegan

Longtime favorites, Hispanic cheeses & variety packs fueling growth

TOP CHEESE VARIETIES FUELING VOLUME GROWTH, 52 Wks 5-18-25

Million Lbs



Total Chs Volume Year Ago	Colby Jack Blends			Variety Pack		Queso Quesadilla		Cream Cheese		Panela		Total Chs Volume Current
% volume chg vs YA	4.3%	4.7%	11.1%	15.4%	3.4%	25.0%	3.6%	1.2%	0.6%	39.9%	-0.4%	

Consumers are exploring more cheese varieties

FAST GROWING CHEESE VARIETIES, 52 Wks 5-18-25

Million Lbs

Paneer
+30%
\$42M
7.5M lbs

Burrata
+24%
\$74M
6.4M lbs

Juustoleipa
+23%
\$9m
0.6M lbs

Dubliner
+17%
\$64M
7.5M

Farmer
+12%
\$15M
2.3M

Mascarpone
+11%
\$40M
4.3M

Queso de Freir
+10%
\$40M
6.9M

Cotija
+8%
\$90M
16.3M

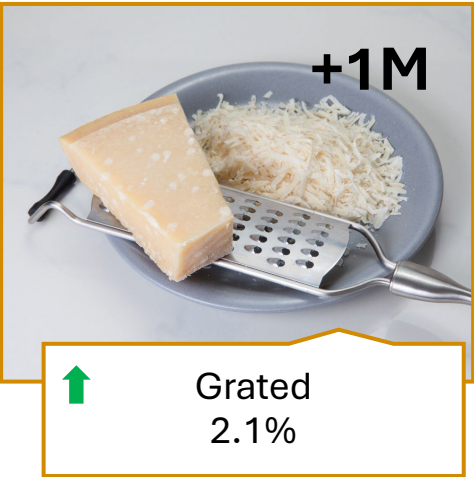
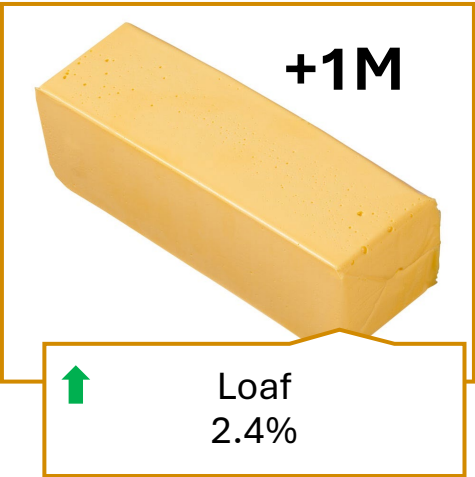
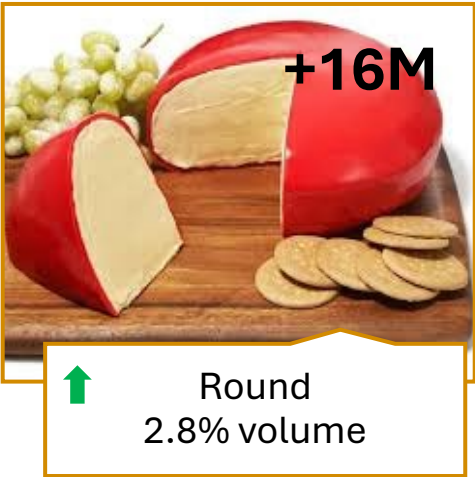
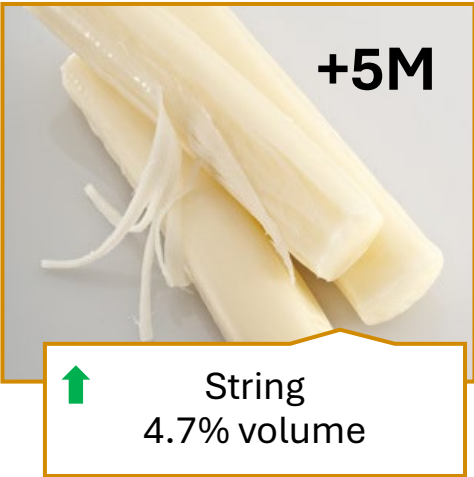
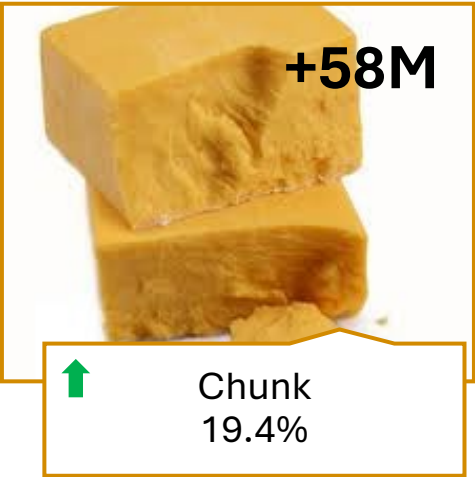
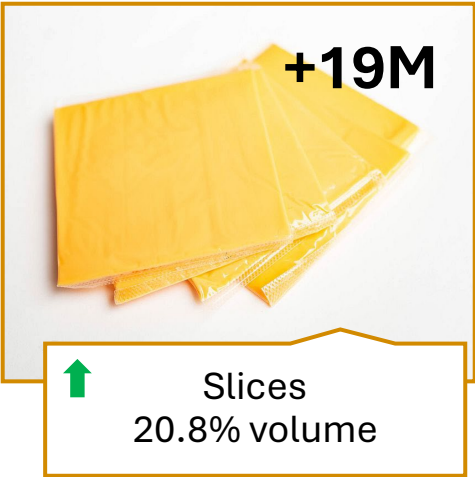
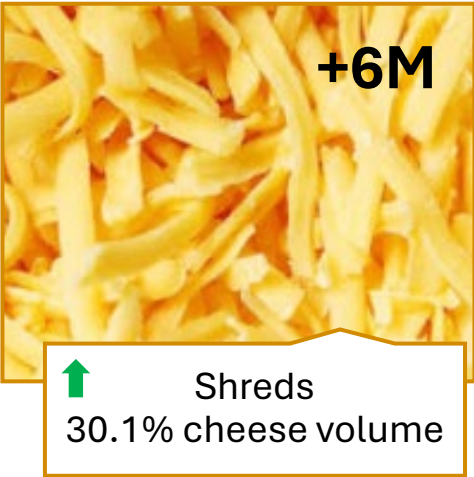
Sheep Cheese
+7%
\$75M
5.1M

Gournay
+7%
\$170M
11.8M

While annual penetration relatively low at under 10%,
large growth linked to new buyers and increased buying rate

All major forms of cheese are growing with Chunk a major contributor

TOP FORMS OF CHEESE, 52 Wks 5-18-25
Share of Retail Cheese, Pound Growth



Cheese Makes Meals Better

HOST FOODS FOR CHEESE AT HOME

% Cheese Host Food Eatings

86%

of Cheese is
an ingredient
or addition to
other foods



Sandwiches
30.6%



Mexican Dishes
11.0%



Italian Dishes
9.7%



Bagel/Bread
8.5%



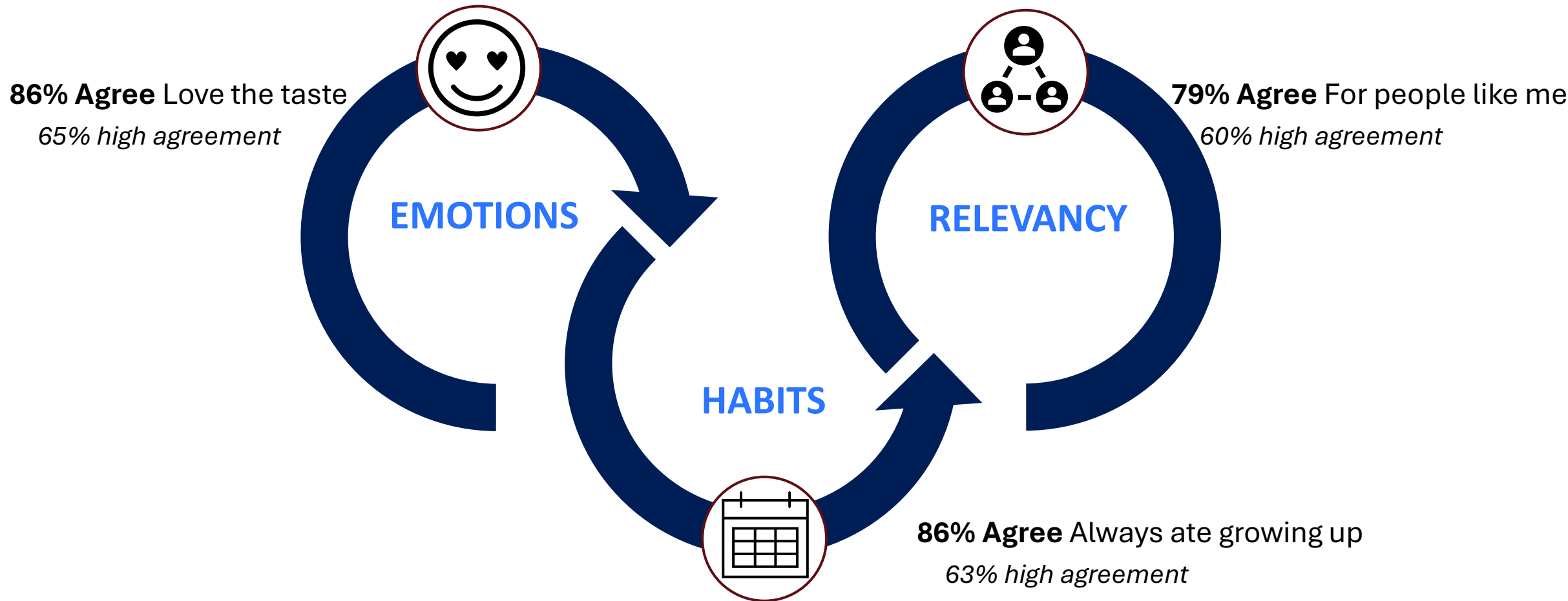
Eggs/Egg Dishes
6.2%



Burgers
4.5%

Taste, childhood habits and relevancy fuel cheese consumption

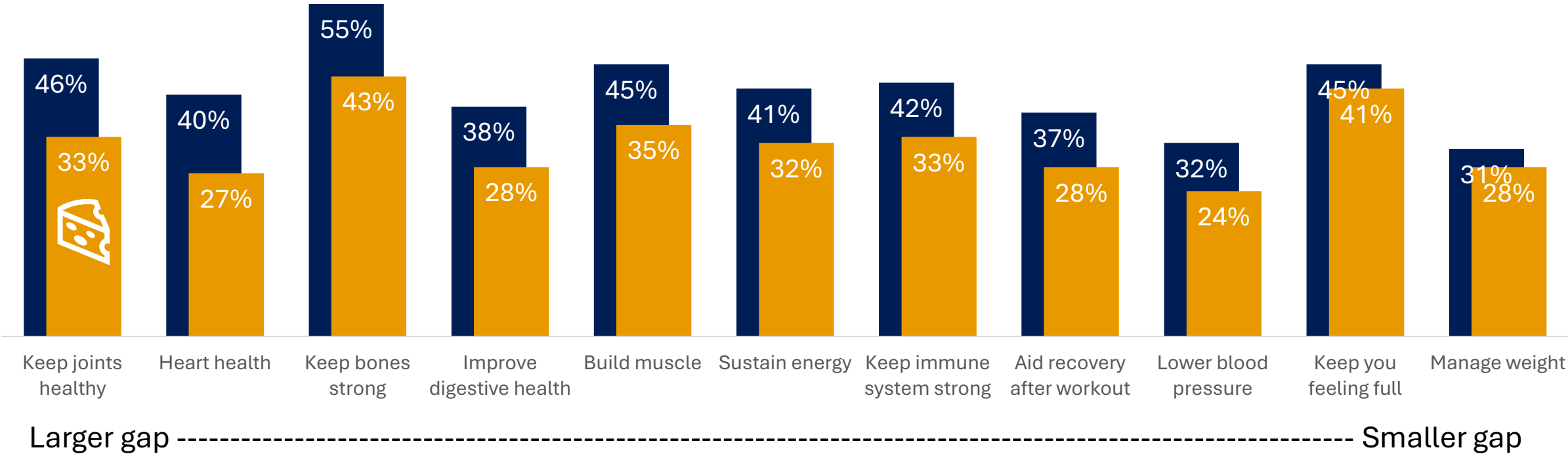
TOP FUELS DRIVING CHEESE CONSUMPTION



Opportunity to boost cheese's health benefit perceptions

CHEESE CAN HELP TO... Top two Box Agreement on 7-Pt Scale

■ Dairy ■ Cheese



SUMMARY

Retail cheese is a large and growing category

- An estimated one in 4 pounds of milk produced goes into making cheese
- The retail cheese is thriving with growth across numerous varieties and segments
- Consumers are highly motivated to use cheese, driven by strong positive emotions.



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DAIRY MANAGEMENT INC.™

Thank You.

Mike Brown
T.C. Jacoby & Co.

US Cheese Trends

Production, Industrial Use, and Exports

Mike Brown
VP Dairy Market Intelligence
T.C. Jacoby & Co.

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1

Cheese Production Growth Product & Location Trends

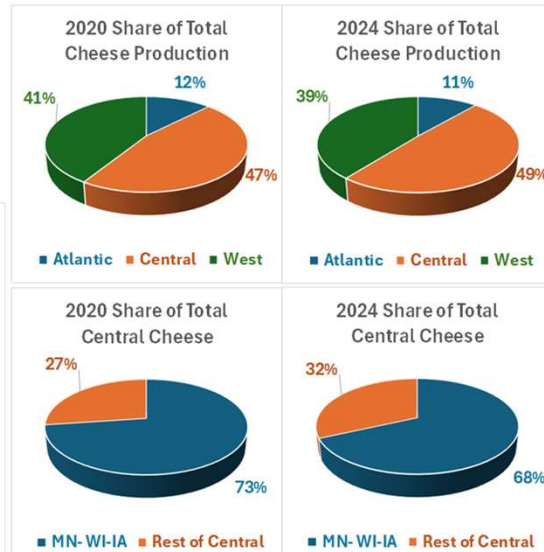
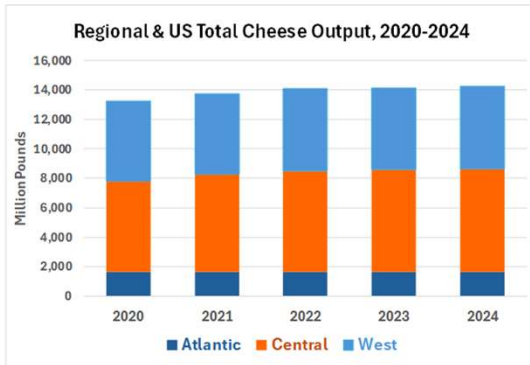
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A Look Back Confirms the Overall Cheese Growth for the Central US

- Central US Share of US Cheese is growing
 - Most Central Growth is outside of the Upper MW
 - USDA reports MN-WI-IA production up 6.8% from 2020-2024, while rest of Central is up 33.5%.
 - Dairy profitability in the Central US and closer access to markets is supporting the strong manufacturing growth.



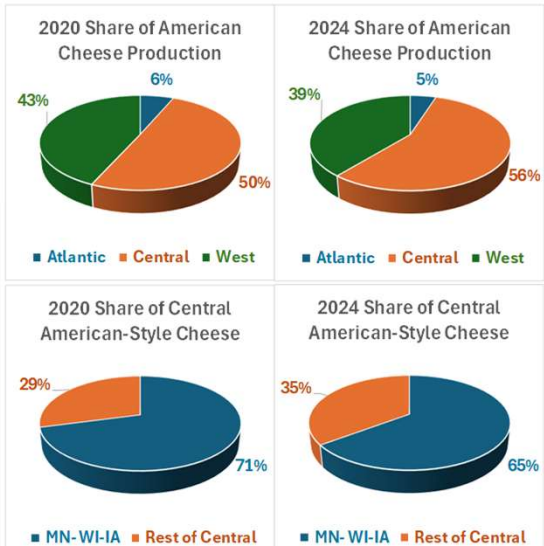
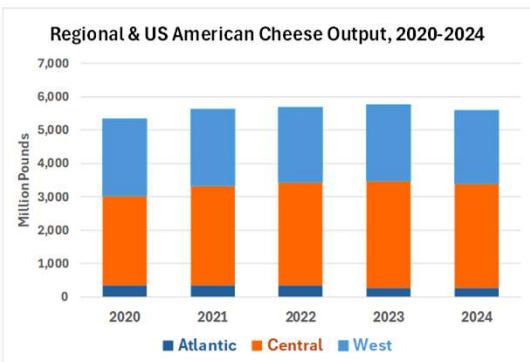
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Central US American Cheese Share is even Stronger

- American Style Growth Continues in South Central US
 - Central Region grew from 50 to 56% Share of American-style Production from 2020-2024.
 - Growth is occurring mostly outside of WI-MN-IA, which now accounts for only 35% of American-style production in the Central region.

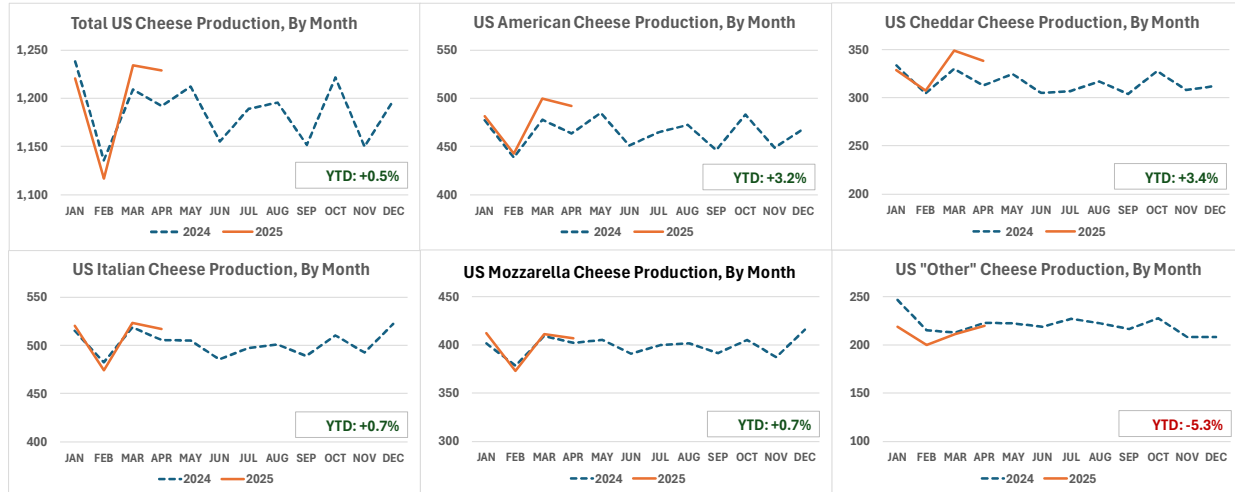


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YTD Cheese Production Boosted by American Cheese Growth



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Central US Dominates Current Growth Map for Cheese



Ever.Ag Insights

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Cheese Sales for Industrial Use

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“Industrial” Sales Following Domestic Demand – Weaker for now.

- Domestic Consumer Confidence impacting Food Purchasing Decisions with food inflation continuing to impact purchasing decisions.
- Industrial Manufacturers purchasing less cheese and cheese products compared to a year ago.
 - Cheese sales to Frozen Pizza manufacturers down significantly in 2025.
 - Increased frozen pizza prices pegged as major reason for declines.
 - Cheese use in snack food industry under some pressure.
 - PepsiCo announced 2% decline in Q1 2025 FritoLay snack food revenues.
 - Snack Foods are big users of Powdered Cheese products.
 - Weaker Food Service sales hurts sale of processed cheese and cheese sauces.
- Demand is on the other part of the cheese business – whey proteins.
 - Whey Proteins enjoying record demand with positive outlook for H2 2025.

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US Cheese Export Opportunities

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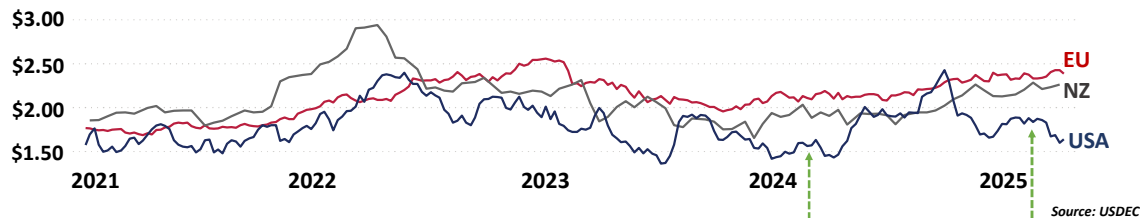


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Exports Have Kept Current Cheese Markets Strong – For Now.

- Significantly Lower US Prices have helped grow recent world demand for US Cheese.

World Cheese Prices



- Cheese exports also expanded when the US cheese price was well below world prices during H1 2024

US Cheese Exports



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Will Opportunities for Exports Continue to Support Production Growth?

- Will US prices remain competitive to world markets?
 - EU production outlook is not strong, leaving room for US cheese sales growth.
 - Current Dollar exchange rate is supporting US exports of everything, including dairy products.
- Current milk and beef prices are supporting dairy profitability – and milk supply growth.
 - Gains are remarkable, especially when lack of replacement heifers is considered.
- New plants, especially in the Central US, are not at capacity and will be producing more cheese.
 - Gains will be in both Mozzarella and American Styles
 - How quick will these new plants move to full production?
 - Availability of both Milk and Markets.
- The Tariff “wars” have calmed down somewhat – at least for now
 - Providing more stable political climates for dairy and broader agricultural trade

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Thank You!

Mike Brown
VP Dairy Market Intelligence
T.C. Jacoby & Co.

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Denise Greer Pizza Today

Pizza Today™

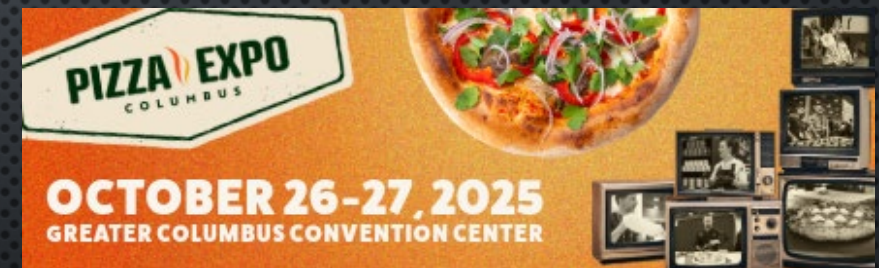
CHEESE: A BACKBONE OF THE HOLY TRINITY OF PIZZA

CHEESE TRENDS IN THE PIZZERIA INDUSTRY



PIZZA TODAY: 40+ YEARS AS PIZZERIA INDUSTRY'S MOST TRUSTED AND VALUABLE EDUCATIONAL BUSINESS RESOURCE

- PIZZA TODAY MAGAZINE
- PIZZATODAY.COM
- THE HOT SLICE PODCAST WITH PIZZA TODAY
- INTERNATIONAL PIZZA EXPO (LAS VEGAS)
- PIZZA EXPO COLUMBUS (COLUMBUS, OH)





THE PIZZERIA INDUSTRY

Roughly 75,000 pizzerias in the U.S.

40-60% of those are Independent Pizzerias

Projected Revenue at \$50.1 Billion in 2025

THE PIZZERIA INDUSTRY IN 2025



The restaurant sector has seen instability, and the pizzeria industry has tightened



Operators remain cautiously optimistic on sales increases but with decreasing profit margins



Menu Pricing has continued to shift upwards since the COVID-19 Pandemic



Delivery and Carryout (DELCO) has performed better than Dine-In restaurants



Pizza is often referred to as recession proof. All eyes are on tariffs, the economy and consumer spending



Operators look to equipment and tech to answer continuing labor issues & costs



A focus on additional revenue sources (catering, third-party delivery, merchandise, mobile units, beer and liquor, etc.)





CHEESE'S VITAL ROLE IN THE PIZZERIA INDUSTRY

Mozzarella's dominance is an indicator for the market

Cheese can account for 30-40% of a pizzeria's total food expenses

Brand loyalty is very high for cheese products

Operator continually evaluate buying block vs. Preshred

Cheese quality is non-negotiable.

Operators seek consistency, reliability and variety from their cheese purveyors

The pizza community shares information on products used at a high rate than other sectors.

Top Pizza Cheeses include Mozzarella, provolone, Parmesan, cheddar and fontina (Gouda and ricotta are also favored)

CHEESY INSIGHTS FROM PIZZA EXPO

- EXPERIMENTATION IS HIGH
- GOING OUTSIDE OF MOZZARELLA
- CREATIVE BLENDS ARE A USP
- REGIONAL STYLES PUSHING NEW CHEESE TRIALS
- FRICO CHEESES ARE RED HOT.
- USING SOFT CHEESES AS FINISHING INGREDIENTS





CHEESE DRIVES TOP TRENDS



CHEESE TRENDS FROM THE PIZZA INDUSTRY TRENDS REPORT



- CHEESE IS A WOW FACTOR FOR SPECIALTY PIZZAS
- BLENDING CHEESES IS A DIFFERENTIATOR
- EXTRA CHEESE IS A TOP 5 PIZZA TOPPING
- HAVING CHEESE VARIETY IS A TOP MENU TREND

Hot Cheeses

Ricotta

Cheddar

Fresh Mozzarella

Goat Cheese

Parmigiano Crema

Cojita Cheese

Scamorza

Plant-based Cheese

Blue Cheese

Feta

Questions and Answers

Q&A

Is per capita consumption of cheese, in total or in select categories, slowing or flattening out in the current economic climate?

Q&A

Are there specific segments of cheese consumption, either on its own or as an ingredient, where consumers are trading down or out?

Q&A

Did foodservice use of cheese decline in Feb./Mar. of 2025?

Did organic cheese sales increase in that time?

Q&A

How does shifting product to consumer needs present challenges that filter down to the workforce and plant employees? What do you do to mitigate the issues?

Q&A

What are the trends for Gouda cheese in the U.S. market? What are the effects of tariffs on U.S. aged cheese varieties such as Gouda?

Questions and Answers

Thank You!



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